



Ontario

ONTARIO FINANCES

G.P.DVP
Government
Publications

Ministry of Finance

1993-94 First Quarter

Quarterly Update
June 30, 1993

OPERATING DEFICIT • The operating deficit, at \$6,115 million, is up \$52 million from Budget Plan.

3 months actual results and 9 months projected	Fiscal Summary (\$ Millions)	1993-94		
		1992-93 Actual	Budget Plan	Current Outlook
	Revenue	41,807	43,985	43,935
	Operating Expenditure:			(50)
	Programs	44,822	42,898	42,900
	Public Debt Interest	5,293	7,150	7,150
	Total Operating Expenditure	50,115	50,048	50,050
	Operating Deficit	8,308	6,063	6,115
	Capital Expenditure	3,592	3,096	3,094
	Budgetary Requirements	11,900	9,159	9,209
				50

REVENUE • Forecast revenue for 1993-94 is \$43,935 million, down \$50 million from the Budget Plan.

- The decrease in revenue is mainly a result of weaker-than-expected Corporations Tax, Tobacco Tax and Land Transfer Tax receipts.
- As anticipated in the Budget Plan, revenue growth was weak in the first quarter due to the moderate pace of economic recovery. The revenue-raising measures introduced in the Budget will begin to increase Provincial revenues during the second quarter of the fiscal year.

OPERATING EXPENDITURE • The expenditure forecast, at \$50,050 million, is up \$2 million from Budget Plan.

CAPITAL ACCOUNT • Capital expenditure is down \$2 million from Budget Plan to \$3,094 million.

1992-93 ACTUALS • Unaudited actual results for last fiscal year indicated that Budgetary Requirements were down \$90 million from the interim level reported in the Budget.

- Revenue increased by \$8 million while Operating Expenditure was down \$23 million, Public Debt Interest declined \$57 million and Capital Expenditure was lower by \$2 million.

Revenue

Table 1

		1993-94		
		Budget Plan	Current Outlook	In-Year Change
		(\$Millions)		
TAXATION REVENUE	Personal Income Tax ¹	14,315	14,315	-
	Retail Sales Tax	8,040	8,040	-
	Corporations Tax	3,120	3,090	(30)
	Employer Health Tax	2,700	2,700	-
	Mining Profits Tax	50	50	-
	Gasoline Tax	1,900	1,900	-
	Fuel Tax	460	460	-
	Tobacco Tax	910	900	(10)
	Land Transfer Tax	400	385	(15)
	Race Tracks Tax	85	85	-
	Commercial Concentration Tax	45	45	-
	Other Taxation	70	70	-
		32,095	32,040	(55)
OTHER REVENUE	LCBO Profits	620	620	-
	Vehicle/Driver Registration Fees	765	765	-
	LLBO Fees, Licences and Permits	500	500	-
	Other Fees and Licences	655	655	-
	Lottery Profits	555	555	-
	Royalties	270	270	-
	Utility Service Charges	175	175	-
	Sales and Rentals	1,020	1,020	-
	Fines and Penalties	175	175	-
	Recoveries	75	80	5
	Reimbursements	175	175	-
	Miscellaneous	60	60	-
		5,045	5,050	5
FEDERAL GOVERNMENT PAYMENTS	Established Programs Financing	3,862	3,862	-
	Canada Assistance Plan	2,371	2,371	-
	National Training Act	76	76	-
	Bilingualism Development	72	72	-
	Young Offenders	60	60	-
	Vocational Rehabilitation	66	66	-
	Other	338	338	-
		6,845	6,845	-
TOTAL		43,985	43,935	(50)

¹ Net Of Ontario Tax Credits.

Capital Plan

Table 3

		1993-94			
		Budget Plan	Current Outlook	In-Year Change	jobsOntario Capital
		(\$Millions)			
MINISTRIES	Agriculture and Food	16	16	-	1
	Attorney General	4	4	-	-
	Citizenship	11	11	-	2
	Community and Social Services	85	85	-	34
	Culture, Tourism and Recreation	65	69	4	27
	Economic Development and Trade	132	132	-	95
	Education and Training	18	18	-	-
	Environment and Energy	269	269	-	129
	Finance				
	Economic Development Projects	10	10	-	-
	Contingency Fund: jobsOntarioCapital	27	23	(4)	23
	Health	89	87	(2)	-
	Housing	109	109	-	35
	Management Board Secretariat	206	206	-	23
	Municipal Affairs	14	14	-	-
	Native Affairs Secretariat	20	20	-	-
	Natural Resources	90	90	-	37
	Northern Development and Mines	225	225	-	31
	Solicitor General and Correctional Services	5	5	-	1
	Transportation	1,776	1,776	-	178
	In-Year Savings	(75)	(75)	-	-
SUB-TOTAL		3,096	3,094	(2)	616
Non-Budgetary					
LOAN BASED	Colleges and Universities	101	101	-	45
	School Boards	357	357	-	39
	Hospitals	150	150	-	-
CROWN	Clean Water Agency	62	62	-	-
CORPORATIONS	Ontario Realty Corporation	33	33	-	-
	Transportation Capital Corporation	101	101	-	-
SUB-TOTAL		804	804	-	84
TOTAL		3,900	3,898	(2)	700

Capital expenditure, at \$3,094 million, is down \$2 million from Budget Plan. Offsetting adjustments are:

- The Ministry of Culture, Tourism and Recreation received \$4 million from *jobsOntarioCapital* for the Ontario Science Centre renovations including an Omnimax Theatre, and for an IMAX Theatre at Science North.
- The Ministry of Health transferred \$2 million to Long-Term Care facilities for operations.

Performance

REVENUE

As anticipated in the Budget Plan, first quarter revenue growth was weak. This reflects the moderate pace of economic recovery and the limited impact of the Budget's revenue-raising measures on first quarter receipts. However, several factors emerged during the first quarter to necessitate a small downward revision to the revenue forecast for 1993-94.

The revenue outlook for 1993-94 is \$43,935 million, down \$50 million from the Budget forecast. Factors responsible for this revision are:

- The forecast for Corporations Tax has been reduced by \$30 million as a result of higher-than-expected refunds and lower instalment receipts.
- The Tobacco Tax outlook has been lowered by \$10 million reflecting ongoing problems with tobacco tax collections.
- Land Transfer Tax revenue has been reduced by \$15 million as a result of a weaker-than-expected housing market.
- The additional \$5 million in Recoveries is mainly attributable to unanticipated revenue from the recovery of loans previously written off by the Ontario Development Corporation.
- Other major revenues sources such as Retail Sales Tax, Employer Health Tax and Gasoline and Fuel Taxes are on track with the Budget Plan.

OPERATING EXPENDITURE

The current operating expenditure forecast of \$50,050 million is up \$2 million from the Budget Plan. Adjustments for the quarter ended June 30, 1993 are:

- The Contingency Fund transferred \$10 million to various ministries including the Ministries of Environment and Energy for implementation of the Environmental Bill of Rights, Solicitor General and Correctional Services for initiatives related to the Lewis Report and Transportation for Integrated Safety Program initiatives.
- Ministry of Health provided an additional \$2 million for Long-Term Care facilities operations fully offset from capital.
- Further information on Social Contract Savings will be provided following the implementation of the Social Contract Act.

Operating Expenditure

Table 2

		1993-94	
	Budget Plan	Current Outlook	In-Year Change
		(\$Millions)	
MINISTRIES			
Agriculture and Food	542	543	1
Attorney General	735	736	1
Board of Internal Economy ¹	131	131	-
Citizenship	77	77	-
Community and Social Services	8,884	8,884	-
Consumer and Commercial Relations	176	177	1
Culture, Tourism and Recreation	394	394	-
Economic Development and Trade	366	366	-
Education and Training	9,683	9,683	-
Environment and Energy	411	412	1
Executive Offices ²	13	13	-
Finance	460	460	-
Contingency Fund	443	433	(10)
Economic Development Projects	13	13	-
Public Debt Interest	7,150	7,150	-
Francophone Affairs, Office of	3	3	-
Health	17,571	17,573	2
Housing	1,032	1,032	-
Intergovernmental Affairs	8	8	-
Labour	215	215	-
Management Board Secretariat	553	553	-
Municipal Affairs	980	980	-
Native Affairs Secretariat	18	18	-
Natural Resources	529	530	1
Northern Development and Mines	88	88	-
Solicitor General and Correctional Services	1,190	1,193	3
Transportation	759	761	2
Women's Issues, Office Responsible for	24	24	-
Expenditure Savings and Constraints	(400)	(400)	-
Social Contract Savings	(2,000)	(2,000)	-
TOTAL	50,048	50,050	2

¹ Includes Office of the Assembly, Chief Election Officer, Ombudsman and Provincial Auditor.

² Includes Office of the Lieutenant Governor, Office of the Premier and Cabinet Office.

Financing

Table 4

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		1993-94		
		Budget Plan	Current Outlook	In-Year Change
		(\$Millions)		
REQUIREMENTS	Operating Deficit	6,063	6,115	52
	Capital Deficit	3,096	3,094	(2)
	Budgetary Requirements	9,159	9,209	50
FINANCING	Debt Issues	11,093	11,147	54
	Retirements:			
	Canada Pension Plan	(607)	(607)	-
	Ontario Teachers' Pension Plan	(252)	(252)	-
	Public Service Pension Plan	(106)	(106)	-
	Public	-	(4)	(4)
	Other	(140)	(140)	-
		(1,105)	(1,109)	(4)
	Net Debt Issues	9,988	10,038	50
	Province of Ontario Savings Office and Other Liabilities	36	36	-
	Net Financing	10,024	10,074	50
LOANS	Net Loan Repayments (Issues)	(1,115)	(1,115)	-
CASH	Decrease in Cash	250	250	-
ACCUMULATED DEFICIT	Increase in Accumulated Deficit	9,159	9,209	50

- Debt issues undertaken from the beginning of this fiscal year to June 30, 1993 totalled \$3,438 million: \$2,732 million in bonds and debentures and a \$706 million increase in Treasury Bills.

